

COCHENOUR WILLANS

G O L D M I N E S , L I M I T E D

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ANNUAL REPORT

COCHENOUR WILLANS GOLD MINES, LIMITED

<i>Directors</i>	J. EDWIN J. FAHLGREN, <i>Cochenour, Ont.</i> ROBERT E. FASKEN, <i>Mississauga, Ont.</i> JOHN B. McLELLAN, <i>Toronto, Ont.</i> MURDOCK C. MOSHER, <i>Toronto, Ont.</i> GEORGE T. SMITH, <i>Toronto, Ont.</i> ROBERT M. SMITH, <i>Oakville, Ont.</i>
<i>Officers</i>	J. E. J. FAHLGREN, <i>President</i> G. T. SMITH, <i>Vice-President</i> J. B. McLELLAN, <i>Secretary</i> B. C. LEMON, <i>Treasurer and Asst. Secretary</i>
<i>General Manager</i>	J. E. J. FAHLGREN, <i>Cochenour, Ont.</i>
<i>Chief Geologist</i>	L. C. CHASTKO, <i>Cochenour, Ont.</i>
<i>General Superintendent</i>	D. H. COGHILL, <i>Cochenour, Ont.</i>
<i>Registrar & Transfer Agents</i>	CANADA PERMANENT TRUST COMPANY 20 Eglinton Avenue West Toronto, Ontario M4R 2E2
<i>Bankers</i>	CANADIAN IMPERIAL BANK OF COMMERCE Toronto and Balmertown, Ontario
<i>Auditors</i>	THORNE RIDDELL & Co. Thunder Bay 'F', Ontario
<i>Solicitors</i>	FRASER & BEATTY P.O. Box 100 First Canadian Place King Street West Toronto, Ontario M5X 1B2
<i>Executive & Mine Office</i>	Cochenour, Ontario POV 1L0

Report of the Directors

To the Shareholders of
Cochenour Willans Gold Mines, Limited

The Board of Directors submit herewith the Annual Report of Cochenour Willans Gold Mines, Limited together with the Financial Statements for the year ended December 31, 1975 which include the Balance Sheet, Statement of Income, Statement of Deficit and Statement of Changes in Financial Position, consolidated with those of our wholly-owned subsidiary Cochenour Realty Limited and our subsidiary Wilmar Mines Limited. Also included is the Report of the General Manager covering the exploration activities in which your corporation participated.

Wilmar Mines Limited

A detailed report on the mining and milling results of various Wilmar ores is set out in the General Manager's Report.

During the official test of the Granodiorite Zone 17,811 tons were processed which yielded an average grade of 0.0975 ounces Gold per ton and 0.129 ounces of Silver.

Buffeted by a major drop in the price of Gold during the Wilmar exercise and an unusually aggressive inflation affecting all facets of mine operating costs that produced many unknown factors with respect to the future, it was resolved to

close operations in December and allow the mine to flood. The grade of the granodiorite zone is established, the milling recovery and the most feasible mining methods are known. It is to be left to the future to dictate the economic potential of this mine.

Exploration

Cochenour will continue with a limited program of outside exploration during 1976 as set out in the report of the General Manager on its own and in partnership with Selco Mining Corporation Limited and Coin Lake Gold Mines Limited.

Finances

The current liabilities of the Corporation as at December 31, 1975 amounted to \$520,471 and have since been reduced to \$200,000 at this date. It is expected the balance, consisting of bank advances, will be paid off by June 30th, 1976.

Submitted on behalf of the Board,

J. E. J. FAHLGREN,
President.

May 20th, 1976,
COCHENOUR, Ontario.

COCHENOUR WILLANS

(Incorporated under the
and its consolidated

Consolidated Balance Sheet

(with comparative figures)

ASSETS

CURRENT ASSETS	1975	1974
Cash and deposit receipts	\$ 465	\$ 307,417
Bullion in transit	124,818	—
Accounts receivable	71,490	92,638
Marketable securities, at cost less provision for loss on investment of \$21,905; 1974, \$9,842 (quoted market value \$48,125; 1974, \$88,200)	48,125	88,200
Materials and supplies, at the lower of cost and replacement cost	190,591	209,613
Prepaid expenses	—	10,908
	<u>435,489</u>	<u>708,776</u>
INVESTMENT IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARY COMPANIES (note 2)	<u>—</u>	<u>—</u>
INVESTMENT IN AND ADVANCES TO AFFILIATED COMPANY, Coin Lake Gold Mines Limited		
Shares, at cost less provision for loss on investment of \$5,723; 1974, Nil (quoted market value \$18,848; 1974, \$22,945)	18,848	24,571
Advances	98,261	79,774
	<u>117,109</u>	<u>104,345</u>
OTHER INVESTMENTS		
Shares in other mining companies, at cost less provision for loss on investment of \$6,660; 1974, Nil (quoted market value \$8,560; 1974, \$19,050)	8,560	15,220
FIXED ASSETS (note 3)	<u>457,896</u>	<u>705,384</u>
MINING CLAIMS AND LICENSES, at cost (note 4)	<u>795,956</u>	<u>795,956</u>
DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES, less amortization (note 5)	<u>2,628,690</u>	<u>1,735,778</u>
	<u>\$4,443,700</u>	<u>\$4,065,459</u>

AUDITORS

To the Shareholders of
Cochenour Willans Gold Mines, Limited

We have examined the consolidated balance sheet of Cochenour Willans Gold Mines, Limited and its consolidated subsidiaries as at December 31, 1975 and the consolidated statements of income, deficit and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Thunder Bay, Ontario,
March 13, 1976.

GOLD MINES, LIMITED

(Companies of Ontario)
and its Subsidiaries

— December 31, 1975

(at December 31, 1974)

LIABILITIES

CURRENT LIABILITIES

	1975	1974
Bank advances, partially secured by assignment of accounts receivable	\$ 356,896	—
Accounts payable and accrued liabilities	164,474	\$ 85,148
Advances from minority shareholder	421,658	205,926
	<u>943,028</u>	<u>291,074</u>
INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANY	<u>444,349</u>	<u>444,349</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 6)

Authorized

7,000,000 Shares without par value

Issued

4,515,356 Shares 3,796,086 3,796,086

DEFICIT 943,629 872,589

2,852,457 2,923,497

EXCESS OF APPRAISED VALUE OF FIXED ASSETS OVER DEPRECIATED BOOK VALUE 203,866 406,539

3,056,323 3,330,036

\$4,443,700 \$4,065,459

CONTINGENT LIABILITY (note 7)

SUBSEQUENT EVENT (note 8)

Approved by the Board:

J. E. J. FAHLGREN, Director.

J. B. McLELLAN, Director.

REPORT

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE RIDDELL & CO.,
Chartered Accountants.

COCHENOUR WILLANS GOLD MINES, LIMITED
and its consolidated subsidiaries

Consolidated Statement of Income

Year Ended December 31, 1975
(with comparative figures for 1974)

REVENUE	1975	1974
Real estate income	\$ 33,672	\$ 43,197
EXPENSES		
Mine	24,363	25,720
Real estate	20,989	19,918
Administration	49,553	36,911
Financing costs	—	31,844
Directors' fees	6,450	3,475
Depreciation	55,108	70,232
Municipal taxes	12,893	17,365
Insurance	13,584	11,163
Exploration and prospecting, net of grants received (note 7)	62,634	53,525
	<u>245,574</u>	<u>270,153</u>
	211,902	226,956
OTHER INCOME		
Interest and dividends	11,912	51,183
Miscellaneous	13,934	12,978
	<u>25,846</u>	<u>64,161</u>
Loss before the undernoted	186,056	162,795
Add		
Provision for loss on investment in marketable securities	12,530	9,842
Provision for loss on investment in and advances to unconsolidated subsidiary companies	2,193	28,356
Provision for loss on investment in affiliated company	5,723	—
Provision for loss on other investments	6,660	—
	<u>213,162</u>	<u>200,993</u>
Deduct		
Gain on sale of marketable securities	—	2,108
Gain on sale of land	29,738	—
	<u>29,738</u>	<u>2,108</u>
Loss	\$ 183,424	\$ 198,885
LOSS PER SHARE	4¢	4¢

COCHENOUR WILLANS GOLD MINES, LIMITED
and its consolidated subsidiaries

Consolidated Statement of Deficit

Year Ended December 31, 1975
(with comparative figures for 1974)

	1975	1974
DEFICIT AT BEGINNING OF YEAR	\$ 872,589	\$ 725,273
Excess of appraised value of fixed assets over depreciated book value, transferred on disposal of fixed assets	104,884	39,569
Amortization of excess of appraised value of fixed assets over depreciated book value	7,500	12,000
	<u>112,384</u>	<u>51,569</u>
	760,205	673,704
Loss	183,424	198,885
DEFICIT AT END OF YEAR	<u>\$ 943,629</u>	<u>\$ 872,589</u>

Consolidated Statement of Changes in Financial Position

Year Ended December 31, 1975
(with comparative figures for 1974)

WORKING CAPITAL DERIVED FROM	1975	1974
Proceeds from sale of capital stock	—	\$ 731,001
Proceeds from sale of fixed assets	\$ 143,350	62,151
	<u>143,350</u>	<u>793,152</u>
WORKING CAPITAL APPLIED TO		
Operations		
Loss	183,424	198,885
Items not involving working capital		
Depreciation	55,108	70,232
Provision for loss on investment in and advances to unconsolidated subsidiary companies	2,193	28,356
Provision for loss on investment in affiliated company	5,723	—
Provision for loss on other investments	6,660	—
Gain on sales of real estate	(10,431)	(14,765)
Gain on sale of land	(29,738)	—
	<u>29,515</u>	<u>83,823</u>
	153,909	115,062
Exploration and development expenditures, less depreciation of fixed assets and loss on disposals capitalized	871,638	496,258
Additions to fixed assets	22,364	64,390
Increase in investment in and advances to unconsolidated subsidiary companies	2,193	28,356
Increase in advances to affiliated company	18,487	78,720
	<u>1,068,591</u>	<u>782,786</u>
INCREASE (DECREASE) IN WORKING CAPITAL POSITION	(925,241)	10,366
WORKING CAPITAL AT BEGINNING OF YEAR		
As previously reported	497,476	408,390
Reclassification of advances to affiliated company	79,774	1,054
As restated	<u>417,702</u>	<u>407,336</u>
WORKING CAPITAL (DEFICIENCY) AT END OF YEAR	<u>\$ 507,539</u>	<u>\$ 417,702</u>

COCHENOUR WILLANS GOLD MINES, LIMITED

and its consolidated subsidiaries

Notes to Consolidated Financial Statements

Year Ended December 31, 1975

1. ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the accounts of Cochenour Realty Limited, a wholly-owned subsidiary, and Wilmar Mines Limited a 65.2% owned subsidiary.

By agreement dated December 10, 1975, the company acquired all of the undertaking and assets of Cochenour Realty Limited for the sum of \$1 upon agreeing to assume and discharge all of its liabilities incidental to the intention to wind-up the subsidiary under the provisions of The Business Corporations Act, Ontario.

Under the terms of agreements dated January 8, 1974 and January 24, 1975 the company and Martin-McNeely Mines Limited agreed to advance funds up to \$1,200,000 in the aggregate, in the ratio of 65:35, to finance exploration and development of Wilmar Mines Limited. Advances so made may be converted for shares in the capital stock of Wilmar Mines Limited at the rate of 1 share for each dollar so advanced.

Advances to December 31, 1975 were as follows:

	Requirement	Advanced
Cochenour Willans Gold Mines, Limited	\$ 780,000	\$ 976,515
Martin-McNeely Mines Limited	420,000	421,658
	<u>\$1,200,000</u>	<u>\$1,398,173</u>

The remaining subsidiaries are inactive and are considered immaterial and their accounts have not been consolidated in these financial statements.

(b) Fixed assets

The townsite buildings were appraised at market value on December 31, 1969 by O'Brien Agency Limited.

These assets are reflected in the accounts at appraised value less accumulated depreciation. The unamortized increase in value resulting from the appraisal in 1969 is reflected in shareholders' equity as "Excess of appraised value of fixed assets over depreciated book value". All other fixed assets are recorded at cost.

The company records depreciation on a diminishing balance basis at annual rates of 15%. The excess of appraised value of buildings over depreciated book value is being amortized on a straight line basis at an annual rate of 5%.

Wilmar Mines Limited records depreciation on its equipment on a diminishing balance basis at an annual rate of 15%.

Cochenour Realty Limited recorded depreciation on its buildings on a straight line basis at an annual rate of 5%.

(c) Deferred exploration and development expenditures

Exploration and development expenditures of Wilmar Mines Limited are deferred until production commences or the property is considered to be permanently uneconomical.

(d) Recovery of costs

The recovery of the costs of mining claims and licences, and deferred exploration and development expenditures is dependent upon obtaining adequate financing and developing a sufficient quantity of ore of economic value.

COCHENOUR WILLANS GOLD MINES, LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Year Ended December 31, 1975

2. INVESTMENT IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARY COMPANIES

ANNCO MINES LIMITED

	1975	1974
Shares, at cost	\$ 479,998	\$ 479,998
Advances	196,590	195,829
	<u>676,588</u>	<u>675,827</u>
Less provision for loss on investment	676,588	675,827
	<u>\$ —</u>	<u>\$ —</u>

COCHENOUR EXPLORATIONS LIMITED

Shares, at cost	\$ 121,439	\$ 121,439
Advances	143,713	141,433
	<u>265,152</u>	<u>262,872</u>
Less provision for loss on investment	265,152	262,872
	<u>\$ —</u>	<u>\$ —</u>

CONSOLIDATED MARCUS GOLD MINES LIMITED

Shares, at cost	\$ 86,240	\$ 86,240
Advances	47,308	48,156
	<u>133,548</u>	<u>134,396</u>
Less provision for loss on investment	133,548	134,396
	<u>\$ —</u>	<u>\$ —</u>

ANNCO MINES LIMITED

At December 31, 1975, the company owned 1,600,000 shares of Annco Mines Limited representing 55% of the issued capital stock.

COCHENOUR EXPLORATIONS LIMITED

Under the terms of an agreement dated January 21, 1966, Cochenour Explorations Limited may request advances from its shareholders to a maximum of \$250,000, in proportion to their shareholdings, should the board of directors of Cochenour Explorations Limited determine that the exploration properties warrant the expenditure of additional funds. Default on such requests can result in the forfeiture of a pro-rata portion of the shareholders' shares in the company to the other shareholders.

At December 31, 1975, Cochenour Willans Gold Mines, Limited was committed to a maximum advance of \$127,500 based on present shareholdings, of which \$118,619 has been requested to date. The company has made advances to December 31, 1975 totalling \$143,713 of which \$25,094 has been advanced in anticipation of taking over the shares of delinquent shareholders who have failed to pay their proportionate share of expenditures incurred pursuant to this agreement.

At December 31, 1975, the company owned 255,000 shares of Cochenour Explorations Limited, representing 51% of the issued capital stock and was anticipating the acquisition of a further 10.7% of the issued capital stock.

CONSOLIDATED MARCUS GOLD MINES LIMITED

At December 31, 1975, the company owned 1,780,700 free shares of Consolidated Marcus Gold Mines Limited representing 57.4% of the issued capital stock. A further 249,995 shares are held in escrow to be released if and when the company has caused Consolidated Marcus Gold Mines Limited to bring its mining claims into production.

3. FIXED ASSETS

	1975	1974
Land	\$ 1	\$ 1
Buildings		
Townsite	449,113	551,692
Other	489,566	579,098
	<u>938,679</u>	<u>1,130,790</u>
Less accumulated depreciation	583,113	601,100
	<u>355,566</u>	<u>529,690</u>
Machinery and equipment	1,773,483	1,868,430
Less accumulated depreciation	1,671,154	1,692,737
	<u>102,329</u>	<u>175,693</u>
	<u>\$ 457,896</u>	<u>\$ 705,384</u>

COCHENOUR WILLANS GOLD MINES, LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) Year Ended December 31, 1975

4. MINING CLAIMS AND LICENCES	1975	1974
Cochénour Willans Gold Mines, Limited	\$ 248,466	\$ 248,466
Wilmar Mines Limited	42,874	42,874
Excess of cost of Wilmar shares acquired by the company over net book value of the company's proportion of underlying assets	504,616	504,616
	<u>\$ 795,956</u>	<u>\$ 795,956</u>

5. DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

These expenditures relate to the claims of Wilmar Mines Limited.

	1975	1974
BALANCE AT BEGINNING OF YEAR	<u>\$1,735,778</u>	<u>\$1,229,938</u>
Expenses incurred during the year		
Surface drilling program	—	64,232
Underground drilling program	—	88,194
Pumping and dewatering	4,591	1,909
Mining	1,607,758	309,858
Mine general	35,139	41,147
Insurance and municipal taxes	24,000	15,219
Depreciation	366	9,582
Loss on disposal of equipment	20,908	—
Administration	8,433	8,607
Directors' fees	300	425
	<u>1,701,495</u>	<u>539,173</u>
Less		
Production revenue	808,583	—
Grants received (note 7)	—	33,333
	<u>892,912</u>	<u>505,840</u>
BALANCE AT END OF YEAR	<u>\$2,628,690</u>	<u>\$1,735,778</u>

6. CAPITAL STOCK

At December 31, 1975 an option was outstanding for the purchase of 15,000 shares of the capital stock of the company at \$1 per share. This option expires December 31, 1977. There are a further 85,000 shares set aside for the granting of options in the future.

7. CONTINGENT LIABILITY

Under the terms of certain agreements, the Ministry of Natural Resources, Ontario, has agreed to reimburse a portion of certain expenses incurred for the exploration of minerals. Should the exploratory work result in the discovery and development of a commercially feasible mineral deposit, amounts so advanced by the Ministry become repayable without interest. Advances to December 31, 1975, total \$130,352; 1974, \$114,903.

8. SUBSEQUENT EVENT

The company is disposing of its plant assets. Mining operations which had been undertaken by Wilmar Mines Limited during 1975, on a trial basis, have been suspended.

9. OTHER STATUTORY INFORMATION

Remuneration of directors and senior officers as defined by The Business Corporation Act amounted to \$122,077; 1974, \$101,258.

COCHENOUR WILLANS GOLD MINES, LIMITED

and its consolidated subsidiaries

Report of the General Manager

To the Board of Directors,
Cochenour Willans Gold Mines, Limited,
TORONTO, Ontario.

Gentlemen:

No. 1 Shaft at Cochenour was kept dewatered down to the 15th level to facilitate the resumption of mining operations at the Wilmar mine.

WILMAR MINES LIMITED: West Granodiorite Zone

This zone had been proven by diamond drilling from surface and underground to have continuity from surface to the 2000 level (1700) vertical feet. The tonnage potential indicated an estimated tonnage between 3.15 and 4.5 million tons with an indicated grade of 0.076 to 0.131 ounces gold per ton.

Mining

The west granodiorite zone is situated 8,000 feet from Cochenour No. 1 shaft. The test stope was prepared on the 1300 level by driving a 125 foot Slash drift, 8 Draw Points and a 90 foot Raise/Manway. While this zone is considered ideally suited to long hole blasting and cheaper costs, it was decided to proceed to mine by the shrinkage stope method because of the present inadequate crushing facilities to handle oversize breakage. Approximately 25,000 tons were broken to provide 20,000 tons for a milling test. Nevertheless the breakage continued to result in considerable large muck and the tramming time continued to be inefficient and slow due to small equipment and hold-ups at the grizzlies where rock had to be sized to that acceptable at the small jaw crusher on surface. The overall program took more time than estimated. Very little sluffing of stope walls was noted after the stope was pulled dry. Dilution was minimal as the granodiorite and volcanics are contrasting and contacts are easily discernable by the miners. 4,000 to 5,000 tons of muck remain in the stope unrecoverable.

Milling

The Cochenour mill, crusherhouse and conveyerway were rehabilitated. The flow sheet was set for a straight cyanidation process. The mill was run-in from March 24th to April 11th. During this period 3,302 tons were processed.

The "Official Test" commenced April 17th and milling continued through until August 2nd, at an average rate of 170 tons per day. 17,811 tons were treated averaging 0.0975 ounces gold and 0.129 ounces silver per ton.

TABLE I

	<u>Tons Milled</u>	<u>Fine Ozs. Gold</u>	<u>Ounces Silver</u>	<u>Value</u>	<u>Value per ton</u>
Run-in	3,302	207.74	320.91	\$ 34,920	\$ 10.58
Official Test	17,811	1,597.61	2,475.68	262,842	14.76
Tons Treated	17,811				
Gold Recovered Ozs.	1,331.34				
Clean-up	266.27				
Total	1,597.61				
Tailing Loss	139.51				
Recovery and Tails	1,737.12				
Recovery	92.1%				
Ore Grade Au	0.0975				
Ag	0.139				

With the completion of the test on the granodiorite zone, operations were directed to the Winze Area.

COCHENOUR WILLANS GOLD MINES, LIMITED

BRECCIA & CARBONATE ZONES: (including Granodiorite Flats)

The winze is serviced by one pass system only.

Four stopes, namely 1750 1E, 1900 1E, 1900 2E and 2050 1W were redeveloped for mining. Extraordinary costs and hold-ups were experienced to assure safe working conditions in these old stopes until the shrinkage stopes were filled to within eight feet of the backs.

Development included 82 feet of Drifting and 598 feet of Raising. Diamond Drilling continued to explore the area with 78 drill holes for a total footage of 11,754. Development in the Breccia zones has proven that by diamond drilling alone ore is difficult to prove up, and success is dependent on drifting and crosscutting to determine the size and extent of the ore blocks.

Table II sets out the tons and grade drawn from this area.

TABLE II

	<u>Tons</u>	<u>Ounces Gold Recovered and Tails</u>	<u>Grade</u>
1750 1E	1,466.3	165.16	.113
1900 1E	3,393.1	718.77	.212
1900 2E	4,110.2	1,624.56	.395
2050 1W	1,625.1	247.57	.152
	<u>10,594.7</u>	<u>2,756.06</u>	<u>.260</u>

During the period of mining in the Breccia zones, to augment the low tonnage of ore being produced for the mill, it was decided to proceed to test the Flats in the Granodiorite zone at the same time. This ore was available on the 1300 level and did not require hoisting through the winze. Four Flat structures were mined as shown in table III.

TABLE III

	<u>Tons</u>	<u>Ounces Gold Recovered and Tails</u>	<u>Grade</u>
1318 A	3,308.4	662.67	.200
1318 B	1,548.6	230.43	.149
1320	96.2	17.86	.186
1321	853.9	115.80	.136
	<u>5,807.1</u>	<u>1,026.76</u>	<u>.177</u>

Milling

The Mill operated from August 22nd to December 15th at an average of 140 tons per day.

	<u>Tons Milled</u>
Breccia zones	10,595
Granodiorite Flats	5,807
Chert	165
	<u>16,567</u>
Gold Recovered and Clean-up Ozs. Au	3,569.14
Tailing Loss Ounces Au	231.22
Recovery and Tails	<u>3,800.36</u>
Calculated Head Au	0.229 oz. per ton
Ag	0.069 oz. per ton
Recovery	93.92%
Silver Recovered Ozs.	1,148.43

COCHENOUR WILLANS GOLD MINES, LIMITED

CONCLUSION:

The price of gold was \$180.00 per ounce when the program was initiated and during the exercise gradually dropped down to \$127.50. Faced with continuing inflation and relevant unknown future cost, and a low price for gold it became obvious that the operation had to terminate.

It is not possible to make any projections at the present time. The future will dictate the economics of the Granodiorite zone. The development of a large production shaft close to the zone and a large size mill would have to be considered. The Test completed this year on the ore has established the grade of this zone as 0.0975 ounces gold per ton. It has been established that the wall rocks stand up well and the ore can be successfully mined by long hole blasting. It is a free milling ore that requires no other treatment than straight cyanidation, which is a plus.

With closure, the mine has been allowed to flood.

COCHENOUR:

No work was undertaken directly in the Cochenour Mine.

ANNCO:

The Annco workings are flooded, no work done.

CONSOLIDATED MARCUS:

No work done.

EXPLORATION

TROUT BAY GROUP (Cochenour 80%, Coin 10%, Selco 10%)

This group of claims was reflowed during the year, and the results indicate additional anomalies that will be checked out.

COCHENOUR EXPLORATION LIMITED:

A group of 19 claims was staked in Bateman Township that has several interesting anomalies. Exploration by diamond drilling will have to be carried out from the ice next winter.

CASSUMMIT LAKE PROJECT (Cochenour 70%, Coin 30%)

A grid has been completed across this property and magnetometer and VLF EM survey. A consulting structural geologist has been engaged to study the property and carry out geological mapping.

LOREE LAKE:

The trenching and sampling program on this uranium group has returned low values over a large area. It is planned to have the area mapped.

OTHER EXPLORATION:

The company has a prospecting party north of Red Lake investigating a sulphide mineralization find.

Selco Mining Corporation Limited have optioned a group of claims from your company located in Ball and Mulcahy Townships for investigation and exploration.

Respectfully submitted,

J. E. J. FAHLGREN,
General Manager.

May 20th, 1976,
COCHENOUR, ONTARIO.

